Global Inequality: Are the Poorest Being Left Behind?

Martin Ravallion
Penn’s parade of world incomes

Household income per person in $’s per day in 2008

Mean income in $/day by ventile, 2008

Penn’s parade of world incomes

Household income per person in $’s per day in 2008

Mean income by ventile ($/day)
Mean for top 1%
Growth in average household income in the developing world

- New trajectory emerged in the new millennium.
- *Who benefited from this new growth?*
- *Were the poorest left behind?*
A widely held view: poorest left behind

• “The poorest of the world are being left behind. We need to reach out and lift them into our lifeboat.” U.N. Secretary-General Ban Ki-moon, 2011

• “The World’s Poorest People Not Being Reached.” IFPRI

• In 2014, the ILO’s DG, Guy Ryder, wrote that “Poverty is not yet defeated. Far too many are being left behind.”

• And in 2015 the Vatican’s representative to the U.N. reaffirmed that the poorest of the world are being left behind.
Economists appear to tell a very different story

• We hear adages such as “a rising tide lifts all boats” or claims that “growth is good for the poor” (Dollar and Kraay) or that there has been a “breakthrough from the bottom” (Radlet).

• These observers point to evidence of falling incidence of absolute poverty in the developing world over recent decades.

• Economists have mostly supported this alternative view.
The data are essentially the same. 

So how can we understand these conflicting views?
Two ways of looking at the same data: The counting approach

• Arthur Bowley and many others since
  – “There is perhaps no better test of the progress of a nation than that which shows what proportion are in poverty; and for watching the progress the exact standard selected as critical is not of great importance, if it is kept rigidly unchanged from time to time.” (Bowley, 1915, p.213.)

• The theoretical foundations of the approach are found in a large literature on poverty measurement, in which various axioms have been proposed.
  – Focus, monotonicity, subgroup monotonicity, scale invariance, transfer principle,....
Two ways of looking at the same data:

The Rawlsian approach

- This approach typically focuses on a consumption floor—the lowest expected level of living.
- Rawls’s “difference principle” is often interpreted as “maximin,” but Rawls insisted that some degree of averaging was required in defining the “least advantaged”:
  - “I assume that it is possible to assign an expectation of well-being to representative individuals holding these positions.” (Rawls, 1971, p. 56)
- If the poorest person sees a gain (loss) then (by definition) the consumption floor must rise (fall).
Other arguments for studying the floor

• Rights-based approaches to justice
  – Justice must be concerned with each citizen not averages
  – Rights must be secured for all; none left behind.

• Mahatma Gandhi’s talisman:
  – “Recall the face of the poorest and weakest person you have seen and ask if the step you contemplate is going to be any use to them.”

• The 2013 U.N. report on setting new development goals, which argued that: “the indicators that track them should be disaggregated to ensure no one is left behind.”

• Social policies aim to raise the floor =>
A “safety net” can be interpreted as an attempt to establish a higher floor
Safety net as a consumption floor

• One motivation for the laws establishing statutory minimum wage rates that first appeared in the late 19th century is that they help raise the consumption floor.

• From the 1970s, we started to see arguments in support of the idea of a “basic-income guarantee (BIG)” — a fixed cash transfer to every adult person.
  – BIG aims to provide a firm floor to living standards. This idea has gained momentum since in the 1990s in both rich and poor countries.
  – Social policy as a “right of citizenship” rather than something to be targeted based on “need.”
  – When financing through a progressive income tax, a BIG is formally identical to Friedman’s (1962) Negative Income Tax.

• The International Labor Organization (2012) recommends a comprehensive “Social Protection Floor,” comprising “nationally defined sets of basic social security guarantees”.

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Huge expansion in “social safety nets” (SSN) in the developing world

- SSN: Direct non-contributory income transfers to poor or vulnerable families
- In last 15 years many developing countries have introduced new SSN programs.
- Today almost every developing country has at least one SSN program.
- Roughly one billion people currently receive assistance.
- Using the World Bank’s ASPIRE database I estimate that population coverage of SSN programs (% receiving any help) is growing at 9% per annum (3.5% points).
SSNs attempt to raise the floor

- The term “safety net” evokes the idea of some sort of floor, and some of the programs can be interpreted as efforts to raise the floor.
- This includes the two largest programs to date in terms of population coverage, namely China’s *Di Bao* program and India’s *National Rural Employment Guarantee Scheme*, which is interpretable as an attempt to enforce the minimum wage rate in an informal economy.
- Raising the consumption floor is a common motivation for SSN programs.
- *But is this being achieved in practice?*
Judgements “on the ground” often look to the poorest

• In an article “Just a little bit richer” the Economist magazine (4/4/15) asked how much China’s poor area programs have helped reduce poverty.

The article points to a poor village in NE Shanxi that has seen little progress: “They laugh in unison when asked if they receive subsidies. The arrival of electricity 30 years ago was a vast improvement. But little else has changed in their lives since.”
The counting approach may miss what is happening at the floor
Same reduction in the poverty count but different implications for the poorest

(a) Poorest left behind

(b) Same reduction in the incidence of poverty but without leaving the poorest behind

Cumulative % of population

Poverty line

Measure of welfare

Cumulative % of population

Poverty line

Rising floor

Floor stays put
How can the floor be estimated?
We cannot be sure that the lowest consumption in a survey is the floor

- When we refer to the “typical level of living of the poorest stratum” we are acknowledging that consumption may be low at one date for purely transient reasons.
- Identifying the floor as the strict lower bound of the empirical distribution of consumption could well be subject to idiosyncratic transient factors.
- We need an approach that is more robust to transient effects and measurement errors, but is still operational with the data available.
Quantifying the floor from survey data

• There is a non-negligible chance that anyone within some stratum of low observed consumption levels is in fact living at the floor.
  – This recognizes measurement errors and transient consumption shortfalls (whereby observed consumption falls temporarily below the floor, such as due to illness, but recovers soon after).
Estimating the level of the floor from available poverty measures

- Let $y^{\text{min}}$ denote the lowest level of permanent consumption in a population. This is the consumption floor.
- We have an $n$-vector of observed consumptions, $y$. The task is to use that data to estimate $E(y^{\text{min}}|y)$. As usual we have:
  \[ E(y^{\text{min}}|y) = \sum_{i=1}^{n} \phi(y_i) y_i \]
- Here the probability that person $i$, with the observed $y_i$, is in fact the worst off person is denoted $\phi(y_i) = Pr(y_i = y^{\text{min}})$.
- This implements Rawls: “to assign an expectation of well-being to representative individuals”
Assumptions about $\phi(y_i) = \Pr(y_i = y^{\min})$

- The probabilities are not data, of course. But there are some seemingly defensible assumptions we can make.

**Key assumption made here:**

- For those observed to be living below $y^*$ the probability of observed consumption being the true lower bound of permanent consumption falls monotonically as observed consumption rises until $y^*$ is reached.

- Beyond some critical level of observed consumption in the survey data there is no longer any chance of being the poorest person in terms of latent permanent consumption.
Operational measure 1

• To derive an operational measure, the assumption of monotonic-decreasing probabilities is now specialized as:

\[ \phi(y_i) = k \left(1 - \frac{y_i}{y^*}\right) \text{ for } y_i \leq y^* \]
\[ = 0 \text{ for } y_i > y^* \]

• To assure that the probabilities sum to unity we require that

\[ k = \frac{1}{nPG^*} \]

where

\[ PG^* = \sum_{y_i \leq y^*} \left(1 - \frac{y_i}{y^*}\right) / n \]

• Thus \( \phi(y_i) \) is person \( i \)'s share of the aggregate poverty gap treating \( y^* \) as the poverty line.
Operational measure 2

- The expected value of the floor relative to $y^*$ is a weighted mean of the values of the $y_i / y^*$ (for $y_i \leq y^*$) with weights given by shares of the aggregate gap:

$$E(y^{\min} | y) / y^* = \sum_{y_i \leq y^*} \phi(y_i) y_i / y^*$$

- Consider the value of $SPG^* / PG^*$. By construction, this is a weighted mean of $1 - y_i / y^*$ conditional on $y_i \leq y^*$, with weights given by the shares of the poverty gap:

$$SPG^* / PG^* = \sum_{y_i \leq y^*} \phi(y_i)(1 - y_i / y^*)$$

- On solving we have the following formula for the expected value of the consumption floor (in $’s per person per day):

$$E(y^{\min} | y) = y^* (1 - SPG^* / PG^*)$$
Alternative formula

- To see the role played by inequality amongst the poor, the following alternative formula can be derived:

\[
E(y_{\text{min}} | y) = \bar{y}^* - \frac{\sigma^*}{y^* - \bar{y}^*}
\]

where \(\sigma^* = \frac{\sum (y_i - \bar{y}^*)^2}{q}\) is the sample variance amongst those for whom \(y_i \leq y^*\) and \(\bar{y}^*\) is their mean.

- This makes clear how the gap between \(\bar{y}^*\) and \(E(y_{\text{min}} | y)\) reflects the inequality amongst those with \(y_i \leq y^*\), as measured by their variance of consumption normalized by the mean gap, \(y^* - \bar{y}^*\).
Poverty measures can suggest progress even when the expected floor is falling

An example:

• Suppose that
  
  \[ y = (0.50, 0.50, 1.00, 1.25, 2.5, 5) \] with \( y^* = 1.25 \)

• Then \( PG = 0.233 \) and \( SPG = 0.127 \); the expected value of the floor is 0.57.

• Suppose that the distribution changes to
  
  \[ y' = (0.50, 0.50, 1.25, 1.25, 2.5, 5) \]

• Then both \( PG \) and \( SPG \) show an improvement (the indices falling to 0.200 and 0.120 respectively) but the expected value of the floor has fallen to 0.50.
Generalization for nonlinear $\phi(y_i)$

- Setting $\phi_{\alpha}(y_i) = k(1 - y_i / y^*)^\alpha (\alpha \geq 1)$ gives:
  \[
  E_{\alpha}(y_{\text{min}} | y) = y^* (1 - P_{\alpha+1}^* / P_{\alpha}^*)
  \]
  where $P_{\alpha}^* = \frac{1}{n} \sum_{y_i \leq y^*} (1 - y_i / y^*)^\alpha$ is the FGT class of measures.

- However, the interpretation of $\alpha$ is different. Here $\alpha$ determines how the probability of being the poorest person falls as observed consumption increases, rather than the degree of aversion to inequality amongst the poor, as in the FGT index.

- Values of $\alpha > 1$ can be defended, to allow the probability to decline non-linearly.

- The choice of $\alpha = 1$ (rather than 2 or higher) is made for a practical reason, namely that PovcalNet only gives values of $P_{\alpha}$ for $\alpha = 0,1,2$. 
Data
Database of *PovcalNet*

- The database draws on distributional data from 900 HH surveys spanning 125 developing countries.
- Using the most recent survey for each country, 2.1 million households were interviewed.
- All poverty measures are estimated from the primary (unit record or tabulated) sample survey data rather than relying on pre-existing estimates.
- Prior truncations of the data (trimming the bottom or top) are avoided as far as possible, and appear to be rare at the bottom of the distribution.
- Past estimates are updated to ensure internal consistency with new data.
Data cont.

• Households are ranked by either consumption or income per person, with consumption being preferred when both are available.

• About 70% of the surveys allow a consumption-based measure.
  – The measures of consumption (or income, when consumption is unavailable) are reasonably comprehensive, including both cash spending and imputed values for consumption from own production.

• All distributions are weighted by household size and sample weights.

• The poverty count is the number of people living in households with per capita consumption or income below the international poverty line.
Data cont.

- All currency conversions are at purchasing power parities using the results of the 2005 round of the International Comparison Program.
- The main international poverty line is $1.25 a day as proposed by Ravallion et al. (2009) who provide various rationales for this line.
- It is assumed that $y^*$=$1.25, but with tests for sensitivity to this choice.
Results using the counting approach
The counting approach indicates a large reduction in absolute poverty

- Large reduction in absolute poverty incidence for $1.25 and $2 a day.
- First-order dominance over 30 years, implying an unambiguous reduction in poverty for all possible lines and all additive measures.
Large reduction in absolute poverty

But might the counting approach pick up the lack of progress for the poorest if one looks well below the $1.25 line?
Cumulative distribution functions for the developing world 1981-2011

Note: All in 2005 prices at purchasing power parity
Percentage of the population of the developing world living below each line

Note: All in 2005 prices at purchasing power parity
Similar pattern at country level

- Over three-quarters (77.4%) of the variance in annualized rates of poverty reduction using the $1.25 line is accountable to rates of progress against poverty judged by $0.87 a day (“ultra-poor”).
- Only 13.6% is accountable to changes in the density of those who were poor but not ultra-poor; the covariance term accounts for 9.0%.
- Close to a 1-to-1 relationship; as the number of ultra-poor in a country falls, we also see roughly similar exit rates from the ranks of the poor population as a whole.
Progress against ultra-poverty translated into progress against total poverty

Annualized % point change in the ultra-poverty rate

Annualized % point change in the total poverty rate

Slope=1.058 (s.e.=0.058)
Rank-preserving lifting out of poverty

• This pattern is suggestive of a process of what can be called rank-preserving lifting out of poverty.
• It is as though, as one of the group of “poor but not ultra-poor” is lifted out of poverty this frees up space for one of the ultra-poor, who moves up to take that spot on the ladder.
Growth and the poorest

• In the light of these findings, let us now revisit the longstanding debate about how much poor people have benefited from economic growth.

• A stylized fact that has emerged from the literature on developing countries is that growth in average living standards tends to come with lower incidence of absolute poverty.

• Typically this has been demonstrated by focusing on prevailing poverty lines for low income countries, such as represented by the $1.25 a day line.

• However, the incidence of ultra-poverty is no less responsive to growth in the mean.
# Growth elasticities of poverty reduction

\[
E[\ln(P_{it} / P_{i-t}) / \tau_i] = \alpha + \beta \ln(M_{it} / M_{i-t}) / \tau_i
\]

<table>
<thead>
<tr>
<th>Poverty line</th>
<th>Growth rate based on survey mean</th>
<th>Growth rate based on NAS consumption</th>
<th>Average of survey mean and NAS growth rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.00$</td>
<td>-1.681</td>
<td>-1.494</td>
<td>-1.817</td>
</tr>
<tr>
<td></td>
<td>(0.433; 98)</td>
<td>(0.427; 87)</td>
<td>(0.333; 87)</td>
</tr>
<tr>
<td>$1.25$</td>
<td>-2.345</td>
<td>-1.961</td>
<td>-2.588</td>
</tr>
<tr>
<td></td>
<td>(0.628; 91)</td>
<td>(0.494; 80)</td>
<td>(0.402; 80)</td>
</tr>
<tr>
<td>$0.87$</td>
<td>-2.072</td>
<td>-2.332</td>
<td>-3.247</td>
</tr>
<tr>
<td></td>
<td>(0.841; 77)</td>
<td>(0.541; 68)</td>
<td>(0.481; 68)</td>
</tr>
<tr>
<td>$0.77$</td>
<td>-2.115</td>
<td>-2.549</td>
<td>-3.480</td>
</tr>
<tr>
<td></td>
<td>(0.881; 76)</td>
<td>(0.565; 67)</td>
<td>(0.520; 67)</td>
</tr>
</tbody>
</table>

**Note:** White standard errors in parentheses, followed by the number of observations. All coefficients are significantly different from zero at the 1% level.
Good news, but is the floor also rising?

- Declining incidence of ultra-poverty for a wide range of possible lines.
- Growth is no less effective against ultra-poverty incidence.
- But is this because of a rising floor, or just fewer people living near the floor?

Cumulative % of population

or

Cumulative % of population

Measure of welfare

or

Measure of welfare
Focusing on the floor gives a very different picture
Estimated mean floor of $0.67 a day

• For linear decline in probability and $y^* = $1.25:

$$\hat{E}_1(y_{\text{min}}|y) = 1.25(1 - SPG/PG)$$

• Standard error of $0.10 per day. 95% confidence interval for the consumption floor is thus $0.47 to $0.87 per day.

• Slow growth (0.4% per annum), and unresponsive to growth in mean consumption.

• Using instead $z = $1.00 one finds floor of $0.55, and even less sign of a trend increase.
Neither consumption floor nor mean for the poor showed any upturn after 2000.
Using consumption surveys only

Estimated consumption floor ($ per person per day)

- Full sample
- Consumption surveys only
“Divergence big time”

Mean of the floor and mean for the poor as a proportion of overall mean

- Mean for the poor
- Expected value of the floor

Graph showing trends from 1980 to 2012.
Fewer people living near the floor, but little change in the floor

Cumulative % of population

Yes!

Measure of welfare

Cumulative % of population

No!

Measure of welfare
Absolute gains by percentile 1981-2011
Consumption floors over time across countries

Large gains in the floor, partly due to measurement error

Estimated consumption floor for earliest survey date ($/day)
Estimated consumption floor for latest survey date ($/day)

Latest = earliest
<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
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</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>0.003</td>
<td>0.005</td>
<td>-0.010**</td>
<td>-0.001</td>
</tr>
<tr>
<td></td>
<td>(0.006)</td>
<td>(0.006)</td>
<td>(0.004)</td>
<td>(0.006)</td>
</tr>
<tr>
<td>Growth rate in the survey mean</td>
<td>0.254</td>
<td>n.a.</td>
<td>0.444***</td>
<td>n.a.</td>
</tr>
<tr>
<td></td>
<td>(0.190)</td>
<td></td>
<td>(0.132)</td>
<td></td>
</tr>
<tr>
<td>Growth rate in NAS consumption</td>
<td>n.a.</td>
<td>0.041</td>
<td>n.a.</td>
<td>0.104</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.207)</td>
<td></td>
<td>(0.214)</td>
</tr>
<tr>
<td>Change in the Gini index</td>
<td>n.a.</td>
<td>n.a.</td>
<td>-0.033***</td>
<td>-0.020**</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(0.006)</td>
<td>(0.010)</td>
</tr>
<tr>
<td>R^2</td>
<td>0.006</td>
<td>0.001</td>
<td>0.517</td>
<td>0.092</td>
</tr>
<tr>
<td>SEE</td>
<td>0.031</td>
<td>0.027</td>
<td>0.022</td>
<td>0.026</td>
</tr>
<tr>
<td>Mean dep. var.</td>
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<td>0.006</td>
<td>0.006</td>
<td>0.005</td>
</tr>
<tr>
<td>N</td>
<td>78</td>
<td>69</td>
<td>75</td>
<td>67</td>
</tr>
</tbody>
</table>

Note: White standard errors in parentheses. *** indicates significance at the 1% level; ** at 5%.
Source: Author’s calculations.
Differences across countries

- Rising floor in 2/3 countries, falling in 1/3.
- India has seen only modest progress in raising the floor.

India’s slow progress in raising the floor

Mean consumption ($ per person per day, 2005 prices)

Overall mean consumption

Expected value of the consumption floor
The floor is lagging behind the rapid growth in the means for China and India

• There has been a trend increases in the estimated floor for both China and India, but at a much slower pace than the overall mean.
• Using annual data for China 1981-2011, I find that the regression coefficient of the change in the log of the floor to the change in log of the mean is 0.296 (s.e.=0.158).
• Using unevenly spaced data over the same period for India, the regression coefficient of the annualized growth rate in the floor on the growth rate in the mean is 0.424 (s.e.=0.104; n=25).
Same data, but very different pictures

Relative inequality (Gini)

Absolute inequality (Gini)

Differing concepts of “inequality” underlie development policy debates, not differences in data.
An alternative perspective on the floor
National poverty lines as a clue to the consumption floor

• National poverty lines can be thought of as the sum of two components: an **absolute** consumption floor plus a **relative** component that rises with mean income.

• This suggests an alternative method of estimating the consumption floor as the expected value of the national poverty line at zero mean consumption.
Floor based on national poverty lines

\[ Z_i = 0.647 + 0.530 M_i + \hat{\epsilon}_i \]

Slope=0.53
Floor=$0.65
Similar value for the expected level of the floor
Why so little progress in raising the floor despite expanding SSNs?
Poor SSN coverage of poor people

The share of the poorest 20% receiving help from the SSNs in developing countries.

- Only about one third of those in the poorest quintile are receiving help from SSNs.
- And worse performance in poorer countries.

Source: WB’s ASPIRE data set

SSN=Non-contributory transfers targeted to poor and vulnerable people.
SSN coverage is improving over time

• Only 25 countries with more than one observation in APIRE database.

• Comparing the latest and earliest surveys for those countries, the overall coverage rate (for the population as a whole) is increasing at 3.5% points per year (standard error of 1.1% points).

• The coverage rate for the poor is not increasing at quite the same pace; for them the rate of increase is 3.0% points per year (standard error of 1.0%).

• *Is this due to economic growth or better social policies?*
# Growth and SSN coverage of poor people

## Regressions for changes over time in SSN coverage

<table>
<thead>
<tr>
<th></th>
<th>(1) Change in SSN coverage of the poorest 20%</th>
<th>(2) Change in SSN coverage of the poorest 20% less change in overall SSN coverage rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>2.937** (1.323)</td>
<td>-1.059* (0.555)</td>
</tr>
<tr>
<td>Growth rate in GDP per capita (annualized)</td>
<td>0.033 (0.255)</td>
<td>0.187** (0.078)</td>
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<tr>
<td>R²</td>
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<tr>
<td>SEE</td>
<td>5.419</td>
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<tr>
<td>Mean dep. var.</td>
<td>3.022</td>
<td>-0.569</td>
</tr>
<tr>
<td>N</td>
<td>23</td>
<td>23</td>
</tr>
</tbody>
</table>

**Note:** White standard errors in parentheses. *** indicates significance at the 1% level; ** at 5%.  
**Source:** Author’s calculations.
Growth and SSN coverage

• Comparing coverage over time for 25 countries: rates of change in coverage are very similar when one controls for growth.
  – Indeed, the GDP growth rate has no explanatory power for the changes in coverage of poor people.

• However, the growth rate does emerge as a significant predictor of the change in coverage of the poor people relative to overall coverage.

• Suggestive that with better social policies we may expect to see better progress in lifting the floor in the future.
Conclusions
Are the Poorest Being Left Behind?

Understanding why we hear different answers

• A clue to can be found in the conceptual difference between focusing on counts of poor people (following in the footsteps of Bowley and others) versus focusing on the level of living of the poorest, in the spirit of Gandhi’s talisman or the Rawlsian difference principle.

• Both perspectives are evident in past thinking and policy discussions.

• Both have been advocated as development goals, although the counting approach, as implemented in various poverty measures, has long monopolized the attention of economists and statisticians monitoring progress against poverty.
Measuring success at leaving no-one behind

• Our success in assuring that no-one is left behind can be readily monitored from existing data sources under certain assumptions.

• The proposed approach recognizes that there are both measurement errors and transient consumption effects in the observed data.

• However, the data are assumed to be reliable enough to assure that it is more likely that the person with the lower observed consumption is living at the floor than anyone else.

• That assumption can be questioned.
Simplifying assumptions

• To make this approach operational with the available data, the paper has made some simplifying assumptions that might be relaxed in future work.

• The empirical measure used here assumes that the probability of any observed consumption being the floor falls linearly up to an assumed upper bound.

• Then the ratio of the squared poverty gap to the poverty gap relative to that bound—two readily-available poverty measures—emerges as the key (inverse) indicator for assessing progress in raising the floor.
Key findings 1: Counting approach

- Huge progress in reducing the number of people living close to that floor.
- First-order dominance over the 30 years, implying an unambiguous reduction in absolute poverty by the counting approach over all lines and all additive measures (including distribution-sensitive measures).
Key findings 2: Rawlsian approach

- The increase in the level of the floor seen over the last 30 years or so has been small—far less than the growth in mean consumption.
- The modest rise in the mean consumption of the poor has come with rising inequality (specifically, a rising variance normalized by the mean poverty gap), leaving room for only a small gain in the level of living of the poorest.
- The bulk of the developing world’s progress against poverty has been in reducing the number of people living close to the consumption floor, rather than raising the level of that floor.
Poverty and growth

• Standard poverty measures have responded to economic growth, and that holds for lines well below $1.25 a day (corresponding to the poorest 20% in 2010).
  – Indeed, the bulk of either the inter-temporal or the cross-country variance in rates of poverty reduction for either $1.25 or $2.00 a day is accountable to progress for those living under $0.87 or even $0.77 a day.

• Growth in mean consumption has been far more effective in reducing the incidence of poverty than raising the consumption floor.

• In this sense, it can be said that the poorest have indeed been left behind.
Implications for monitoring

• While it would be ill-advised to look **solely** at the level of the floor, it can be acknowledged that this has normative significance independently of attainments in reducing the numbers of people living near that floor.

• The thesis of this paper is **not** that progress against poverty should be judged solely by the level of the consumption floor, but only that the latter should no longer be ignored.

• That would also assure more consistency between how we monitor poverty and how we think about social protection policies.
Thank you for your attention!